

CURRENCY DEBATE ON

Senator Aldrich Explains and Defends His Bill.

CLOSE ATTENTION GIVEN HIM

Galleries Are Crowded and Senators Remain in Their Seats Throughout His Remarks—Bankers Are Given Warning That Currency Legislation Is Intended for Whole Country.

Before a large audience, which gave him close attention for the entire period of his effort, Senator Aldrich, of Rhode Island, chairman of the Senate Committee on Finance, delivered in the Senate yesterday afternoon a speech on the pending currency measure, which reviewed in detail the recent and present financial conditions, the reasons for the adoption and the arguments for his bill, and the objections urged against it.

Nearly every Senator was in his seat when Mr. Aldrich began, and all remained until his remarks were concluded, when his associates crowded around him to offer their congratulations.

In spite of the unfamiliarity which most of them must have felt with the subject, the several hundred spectators in the galleries showed intense interest, and seemed to follow intelligently the clear, simple, direct statements of the chairman of the Finance Committee.

Pierpont Morgan sat in the reserved gallery, and gave Senator Aldrich his undivided attention.

In the course of his address Mr. Aldrich pointed out that the Treasury was not likely to be in a condition to increase deposits in national banks, and he advocated a large curtailment of these funds. If another financial crisis came, men of patriotism, courage, and capacity might not be found again to render such conspicuous and invaluable service as was given in the recent emergency. Mr. Aldrich asserted that the suspension of bank payments would not be tolerated again. He made a cheering reference to present conditions and expressed confidence that the prolonged period of depression which followed the panic of four years ago would be avoided, and that there will be soon a great excess of currency, probably a surplus of loanable capital.

No Central Bank Now.

"Personally," said Senator Aldrich, in referring to the plan for a central bank, "I believe that this country is in time likely to adopt such a system, but I agree with the members of the committee that the adoption of it at this time or in the near future is out of the question."

Of the bill which he advocated, Mr. Aldrich said that it proposed to prevent panics and furnish the means of relieving panic conditions, but it was not claimed that it was a panacea for all financial ills, and it made no pretense of providing a new monetary system or of trying a new experiment with the currency. Its purpose, he explained, was to give the national banks the means of accomplishing by legal methods the things which in the crisis they felt compelled to accomplish by illegal and destructive methods, to the country's great loss.

Mr. Aldrich reviewed the objection of some banks to the bill on the ground that the issue of emergency notes would be unprofitable to the banks, and, therefore, would not be taken out by them. The bill was not designed to give profits to the banks, he declared, but, in fact, there was an erroneous idea, a premium on bank profits and he believed that in time of public panic the great majority of the banks would do as they had done in the past—give the strongest possible evidence of their patriotism and unselfishness.

Conditions Have Improved.

Senator Aldrich said, in part: "I am quite well aware that financial conditions have vastly improved over what they were six weeks ago, and I think we may feel quite confident that the prolonged period of depression which followed the panic of 1893 may be avoided. It is also quite certain that in all the financial centers within a very short time there will be a great excess of currency, and probably a surplus of loanable capital."

"I believe it to be the imperative duty of Congress, in their wisdom, to provide some means of escape from another calamitous crisis. The expedients which the responsible officers of the government and the great financial institutions were obliged to adopt in the panic of 1893 point the way to effective curative legislation."

Two Plans Considered.

"Two plans for general legislation which are prominent in public discussion were considered by the committee: "First, that advocated by many thoughtful students of economic history and teachings, who are led by the experience and practice of other commercial nations to favor some plan for a central bank of issue, which would be in effect a central clearing house with very limited banking functions, under government control. Personally, I believe that in time this country is likely to adopt such a system, but I agree with other members of the committee that its adoption at this time, or in the near future, is out of the question."

"Second, that supported by a large number of bankers and students, who maintain that our monetary system will never be placed on the proper basis until the sole power of issuing notes is lodged in the hands, the security of such notes to be based upon a general pledge of the assets of the banks, their convertibility to be undertaken by the banks, and to depend upon an insurance fund. This plan involves an entire change in the character of our currency and the ultimate retirement of outstanding United States notes and gold and silver certificates. The committee were unanimous in the opinion that this plan would not be likely to receive the favorable consideration of Congress at this session."

Simple and Effective Remedy.

"The remedy we provide is simple, prompt, and efficient. At any time within forty-eight hours, if an emergency requires it, \$50,000,000 of new money can be put into the channels of trade to allay public excitement, and to meet extraordinary demands."

"The committee believes that this great

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fund, placed by the government at the disposal of the bankers and business men of the country, will have a strong tendency to prevent financial crises and to preserve public and private credit at home and abroad.

"The emergency issue we propose should enable the banks of the country to meet at all times their demand obligations, and to respond to all unusual but legitimate business demands. It will save bankers and the public alike from further humiliating and dangerous general insolvency. It will be used in time of trouble to take the place heretofore filled by clearing-house certificates, and it will render the use of illegal or questionable substitutes for money unnecessary. "The plan of the government to redeem the notes of national banks is strengthened and more clearly defined. A definite pledge of convertibility by the government is required by this act to be printed upon the notes. The value of the national bank notes has always been fixed in the minds of our people by the certainty of government redemption. No one stops to inquire whether a national bank is sound or whether its capital is great or small, or whether its financial condition is such as to give credit to its notes."

"A new form of notes, if issued purely for emergency sales, less carefully secured than existing notes, would be discredited at once, and their appearance would invite distrust."

Controlling Purpose of Bill.

"There should be no misunderstanding as to the sole controlling purpose of this bill. It proposes by its provisions to prevent panics and furnish the means of relieving panic conditions. We do not claim that it is a universal panacea for all financial ills. It is to give the national banks the means of accomplishing by legal methods the things which in the crisis they felt compelled to accomplish by illegal and destructive methods, to the great loss of the country. It makes no pretense of providing a new monetary system, and tries no new experiment with our currency. It surrounds notes to be issued by safeguards for ultimate payment similar to those now in use."

"Public discussion of the bill has turned largely upon the question whether the measure proposed was satisfactory to bank managers, ignoring the character, and volume, of the currency in which the public is vitally interested. I must confess that, in considering relief measures, it did not occur to the committee that the first duty was to provide additional means of payment. The banks are not applicants for charitable relief. The report of the Comptroller of the Currency shows that the dividends paid by the national banks for the sixteen months ending June 30, 1907, at the rate of 12 per cent annum of the capital and surplus of the national banks. In the ten years prior to 1901 the average annual rate of dividend was but little over 5 per cent."

Had to Restrict Banks.

"The committee were well aware that if the issue of the additional notes provided for should be made a constant source of profit to the banks, the notes would be issued immediately and would become a permanent addition to our currency, and would leave no margin for an increased circulation when the usual flow of currency was interrupted and a new supply demanded. To make proper provisions in emergencies for this supply, and to answer the reasonable expectations of the people, it was necessary when their interests are imperiled, should not involve the necessity of increasing the profits of the national banks."

"In the recent panic there was a general suspension of cash payments by the national banks. The failure of a bank to meet its demand obligations is a violation of every law governing its conduct and existence. The extraordinary forbearance of the people of the country and of the officers of the government in the face of this violation was perhaps justified from the condition in which the banks found themselves. Bank managers realize that a repetition of these violations will not be tolerated. It would be difficult to exaggerate the injury which would come to the credit of the country and the prestige of our great financial centers, and the losses which would be suffered by the great industries, if the banks of the country should again suspend payments in a period of financial disturbance."

Gives Warning to Bankers.

"There certainly could be no possible justification of a suspension brought about through a refusal on the part of the banks to accept a method of relief adopted by Congress, on the ground that an acceptance would involve a loss of profits to the banks. Our recollections of the happenings of the past few months are too definite to lead us to listen with patience to a discussion by officers of banks in the large cities of the question whether the use of the remedies proposed by Congress would result in a loss of profits to their dividends. We do not intend to place a premium upon that kind of bank management which proposes to make financial disturbance and disaster a source of profit. The second objection urged is that banks should not be permitted to purchase and hold securities of the class which the Secretary of the Treasury is authorized to accept under the provisions of the bill. The committee were of opinion that they would deserve generally commendation if they did not require, as a basis of the note issue contemplated, the very best available securities."

"The plan of the bill restricts the securities to be accepted under the provisions of the bill to the past few months are too definite to lead us to listen with patience to a discussion by officers of banks in the large cities of the question whether the use of the remedies proposed by Congress would result in a loss of profits to their dividends. We do not intend to place a premium upon that kind of bank management which proposes to make financial disturbance and disaster a source of profit. The second objection urged is that banks should not be permitted to purchase and hold securities of the class which the Secretary of the Treasury is authorized to accept under the provisions of the bill. The committee were of opinion that they would deserve generally commendation if they did not require, as a basis of the note issue contemplated, the very best available securities."

"The securities named find universal acceptance in settlement of obligations. No securities except United States bonds have a better credit and standing in all financial circles. They have a definite value, readily ascertainable, on all the great exchanges of the country, and they are always salable under normal conditions at full market price."

"It is evident that the banks of the country might wisely and without difficulty or loss, invest \$50,000,000 in first-class State, municipal, or railroad bonds. This investment would be an exercise of their management, which should characterize institutions which should expect to retain the confidence of the American people. The wisdom of this course finds ample confirmation in the example of the banks in every commercial nation."

"Another objection which is urged is that the taxes imposed by the bill will result in an increased rate of interest on loans, which would necessarily be paid by the borrower, and that this increase in rate would apply not only to loans made possible by the additional issue of notes, but would also apply to the entire amount of loans and discounts made by all the banks. It is further claimed in this connection that the increased rate would lower the prices of products marketed at the time. I think this remarkable claim will disappear upon any slight examination."

"The rate of interest in any country or community is fixed by the demand for and general supply of loanable capital. It cannot be raised or lowered arbitrarily on a small portion of loans, or in one locality, without reference to rates on other loans or in surrounding communities. If the banks can recoup the amount

paid for taxes, from the borrower, to the new extent of the taxes, and add to their income by a similar increase along the entire line of loans, it is easy to see that the banks, instead of losing by the operations of this bill, would secure immediate profits. But nothing of the kind would, or could, happen. If the rate of interest in any community or State was 6 per cent at the time the notes were issued, there could be no change of rates, or of the issue of the notes, unless a reduction should take place, following the law of supply and demand, to which I have alluded."

Clearing House an Example.

"It is asserted by objectors that the government should not exact from the banks a pledge of definite securities, but that it is perfectly safe to accept the general credit and assets of the banks as security. I think it is sufficient answer to this to say that the banks do not follow this rule in their dealings with each other. The various clearing-house associations do not accept the credit of individual banks, or a claim against their general assets, as security for advances in the issue of clearing-house certificates. They require a pledge of carefully selected securities upon which they advance 75 per cent of their value, and they follow the most rigid rules in enforcing payments. I do not see why the banks should expect the government of the United States to accept from them different and less valuable securities than those that they require in similar transactions between themselves."

"It is also claimed that the holding of the prescribed securities will reduce the loaning power of the banks to the extent to which securities are held. This claim presupposes that there could be a sum available for loan to the extent of the amount is equal to the entire loanable resources of the banks. I assume that no bank officer would consider it prudent to invest the entire amount of the capital and deposits of his bank in loans upon one kind of commercial paper. Banks known to have this character of investments would not have the confidence of the public. That every bank should have varied investments, with a certain proportion of liquid assets, is a rule of universal application. If a certain amount of convertible securities reduced the loaning capacity of a bank, that capacity is reduced to a greater extent by its reserves and by the financial institutions. If it involves a loss to invest part of the funds in first-class bonds upon a 4 or 5 per cent basis, it involves a greater loss to continue deposits in banks at 2 per cent, and a still greater loss in holding a portion of its funds as reserves which pay no interest."

Banks Dare Not Use Reserve.

"There is another objection which perhaps deserves some attention. It is said that the bill could not be carried into effect, as banks would have to take money from their reserves for the purchase of the necessary securities, and that this would involve the use of \$100 of reserve money to obtain \$75 in notes of an inferior character. This criticism has heretofore been applied, and with equal force, to transactions involving the purchase of United States bonds for a basis of note issue. It is quite certain that no national bank has purchased United States bonds at any time in the last twenty-five years that it has not paid more for the bonds than it has received in notes, and it is also quite certain that the purchase of these bonds was made with money taken from the bank's lawful money reserve. No bank would be permitted, either by law or by the exercise of sound judgment, to invest any part of its cash reserves in any kind of securities in times of panic, or, in fact, at any other time."

No Infation of Securities.

"It has been objected to the provisions of the bill that it would have the effect of unduly and unnaturally increasing the market value of the securities which are to be deposited under its provisions. It was the purpose of the committee to designate classes of securities in volume so large that a criticism of this kind could not be fairly made. There are now outstanding State and municipal bonds which might be deposited under the provisions of the bill to the amount of \$2,000,000,000, and, judging by our past experience, this amount will be rapidly added to by the issue of new securities. Of the class of railroad bonds described, competent authorities estimate that there are at least \$2,000,000,000 outstanding. This would make \$4,000,000,000, as against a possible maximum purchase of \$500,000,000. I do not think that the issue of notes in full amount, would materially affect the prices of the securities."

"Criticism has been made of the notes to be issued that they are 'wildcat' and 'unsound.' This criticism may be fairly characterized as absurd. For the safety of the note-holder we have, first and most important, a pledge of the credit, resources, and revenues of the United States, which guarantees their convertibility. Second, we have a specific pledge of collateral of the highest character with value in excess of the amount of notes issued. Third, we have a prior lien upon all the assets of the bank through which the notes are issued. There is no more sound paper money in existence which has more guarantees of safety and soundness than the bank notes provided for by this measure."

"If necessary in volume of currency is increased in times of financial distress, we believe it is perfectly proper for the Finance Committee to answer this demand. The fact that it has the opposition of a certain class of bank managers is an evidence to my mind that these officers do not really desire stability, but a continual and unlimited expansion of the expectation of constantly increasing gains."

"A survey of the entire field from the standpoint of experience and result must lead us to the conclusion that while there is no necessity for the immediate reconstruction of our monetary system, there is an imperative demand for some provision for additional notes to be used in emergencies."

Deprecates Bank Speculation.

"It has been discovered that many national banks have been directly or indirectly furnishing capital for speculative ventures. Some of them have been largely engaged in promoting or underwriting questionable business schemes. All of these operations are clearly outside of the scope of legitimate banking and serve to bring discredit upon all of our banking institutions."

"The habit of banks in the large cities of paying a high rate of interest upon the deposits of other banks has led to large accumulations of loanable funds in the great commercial centers at times when the demand for trade purposes throughout the country was less than normal. This dangerous accumulation has naturally led many times to speculative and improvident loans. "The enactment of the pending bill will furnish evidence that Congress is not unmindful of its serious responsibilities in this regard. There can be no reasonable doubt of the effectiveness of the measure. The committee firmly believe that through its enactment an atmosphere of confidence and feeling of security will be created which will be invaluable in improving business conditions and in giving a new impetus to the work of national development."

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LLOYD IS CHAIRMAN

Heads the Democratic Congressional Committee.

PLACE KEPT FOR J. L. NORRIS

District of Columbia Man's Position as Treasurer Remains Vacant Pending Result of His Illness—Flood and Bowers Withdraw, as Predicted, but Ryan Falls to Win.

The Democratic Congressional committee met last night and organized for the coming campaign by electing Representative James T. Lloyd, of Missouri, as chairman.

The contest for the chairmanship was between Mr. Lloyd and Mr. Ryan, of New York. Mr. Flood, of Virginia, and Mr. Bowers, of Mississippi, who were considered candidates until recently, withdrew from the fight.

The Ryan supporters, led by Representative Fitzgerald, of New York, and Representative Williams, of Mississippi, made the contest on the ground that the chairman should be a Northern man, familiar with conditions in the large cities of that section, where the Democrats must make their gains to carry the next House. Mr. Lloyd's popularity, however, won against this argument, the vote being 23 to 14 in his favor.

Mr. Lloyd was vice chairman during the campaign of 1906, and had charge in the West, where he succeeded in regaining many districts which had been lost by his party in the previous campaign.

Clarke Made Secretary.

It was decided that the secretary of the committee should be a member of the committee, and Representative Frank Clarke, of Florida, was chosen unanimously. Charles A. Edwards, who has officiated for several years as secretary, will be appointed assistant secretary. J. Sinnott was chosen sergeant-at-arms. The position of treasurer of the committee was left vacant, in deference to Hon. James L. Norris, of the District of Columbia, who has officiated in that capacity for a quarter of a century. Mr. Norris has been ill for the past year, and there is some question as to whether he will be able to continue to serve. If he is unable, the chairman will appoint a treasurer.

There was some effort on the part of ultra-Bryan men to construe the election of Mr. Lloyd as a Bryan victory, but the Bryan men who had supported Mr. Ryan refused to allow this construction to be placed upon the election. Mr. Lloyd, however, is an ardent Bryan man.

REPORT ON DISTRICT BILL.

Commissioners Favor One and Oppose Other Proposed Acts.

The District Commissioners yesterday forwarded to Congress reports on a number of pending bills relating to the District.

They approve the bill proposing to change existing plans for street extensions in the northeastern section by expunging the extension of Girard street east of Mills avenue and substituting therefor a street to be known as Twenty-seventh street, extending from Franklin to Hamilton street. They submit a revised bill for this purpose, intended to correct errors in the original bill.

They recommend unfavorable action on the bill to extend Ontario place northwest, believing that the proposed extension can be better carried out under existing provisions for street development in that neighborhood.

The Commissioners also oppose the bill proposing to make the pay of all employees on public works in the District \$2.02 a day, giving as their reasons for doing so that it would put infirm and comparatively incompetent workmen on a par with the ablest and most efficient, and also compend new estimates for the next fiscal year. Unskilled labor is now paid \$1.50 to \$1.75 a day on public works, and skilled labor is paid as high as \$3.50 a day. Aged employees are kept on the rolls at \$1.50 a day.

Petitions from District Residents.

Senator Gallinger yesterday submitted to the Senate the following petitions: "Petition of the Washington (D. C.) Chapter of the American Institute of Architects, praying for the plan of beautifying Washington as drawn by Geo. Warren and Maj. L. H. Bechtel." "Petition of Brightwood Citizens' Association, asking extension of North street to the District line and Takoma." "Petition of North Capital and Eckington Citizens' Association, asking retention of the present superintendent of public schools and the board of education." "Petition of Brookland Citizens' Association, asking passage of a law to place appointment of a director of education in the hands of the District Commissioners."

Indian Bill Still Pending.

Consideration of the Indian appropriation bill was resumed by the House of Representatives in Committee of the Whole yesterday. The bill contained a provision intended to facilitate the execution of the Indian Commission and the Indian Affairs seeks to carry out, viz: the abolition of nonsectarian schools. After some discussion, this was made to read so as to authorize the Secretary of the Interior to cause an investigation of the subject to be made.

Goldfolgie's Resolution Opposed.

The House Committee on Foreign Affairs yesterday decided to report adversely the resolution introduced by Representative Goldfolgie, of New York, asking for information from the State Department regarding the issuance or the refusal to issue passports to Russian Jews who have been naturalized and desire to visit their native land.

YESTERDAY IN CONGRESS.

SENATE.

Senator Aldrich opened the debate on the Aldrich financial bill in an extended speech. Senator Dewey also made a brief speech defending the Secretary of the Treasury.

Senator Foraker submitted certain correspondence in relation to a question of personal privilege, which he raised with the President over the distribution of Federal patronage in Ohio.

The Senate took up the consideration of the report of the Committee on the Revision of the Laws, and considered it up to the hour of going into executive session for the purpose of considering conferees.

The treaty providing for an international health office, to be located at Paris, was ratified.

At 4:22 p. m. the Senate adjourned until today at noon.

HOUSE.

Representative Leake (Dem., N. J.), protested against what he termed usurpation of the duties of delegates to the Denver convention by nominating William J. Bryan in advance of the meeting of that body.

Representative Douglas (Rep., Ohio), added a letter of Postmaster Bryson, of Athens, to those read earlier by Senator Foraker, which he explained was a duty he owed to himself, as well as to others.

The session was devoted to further consideration of the Indian appropriation bill in Committee of the Whole. An agreement was reached on the subject of non-sectarian schools.

The House at 5 p. m. adjourned until noon today.

PRESS GALLERY—No. 16.



JOHN S. SHRIVER.

The Washington correspondent of the New York Evening Mail is also connected with the Washington bureau of the Baltimore American.

He began his newspaper work in Baltimore on the American after his graduation from Princeton in 1875. Mr. Shriver came to Washington March 2, 1885, as a correspondent for the Baltimore American, which position he held until 1887, when he became managing editor of a publishing company in Baltimore.

He resumed his work in Washington in 1888 as correspondent for the New York Mail and Express and Cincinnati Star, remaining with those papers for twelve years, resigning to resume his connection with the Baltimore American.

In 1898 he became Washington correspondent for the New York Evening Mail also. He has been the efficient secretary of the Gridiron Club for four years.

DEPEW DEFENDS CORTELYOU

New York Solon Replies to Culberson's Charges in Senate.

Also Compares Attitude Toward an Industrious Cab Driver and that Regarding Railroads.

Senator Depew, of New York, addressed the Senate yesterday in defense of the policy of the Secretary of the Treasury in going to the aid of the money market in the recent financial stringency.

"Figures are elusive," said Mr. Depew, referring to the statistics on distribution of government funds in national bank deposits, cited by Senator Culberson, of Texas. "As an illustration, if a cab driver were to increase his daily earnings from \$1 to \$3, he might correctly claim that he had increased his income 200 per cent, and it would not excite comment, but if the New York Central were to increase its earnings 200 per cent it would cause a special session of the legislature."

Mr. J. P. Morgan, of New York, whose attitude in the recent panic was praised by Mr. Depew, heard the speech from the Vice President's row in the reserved gallery.

Senator Depew read from the reports of transactions on the New York stock exchange to show that during the financial depression there was less speculation than during the comparative period of the previous year. He defended the action of Secretary Cortelyou, and declared it would be written down as one of the brightest pages in the history of American financial administration.

TO PAY INJURED EMPLOYEES.

House Bill Provides Compensation for Government Workmen.

A bill was introduced in the House yesterday providing for compensation to civilian government employees injured in the line of service.

It provides that the United States shall be liable to its civilian employees whose compensation, or probable earnings, is less than \$2,000 per annum. This provision also includes employees under the Panama railroad and steamship lines.

The pension is awarded for any injury arising out of, or in the course of, the injured person's employment.

No compensation shall be paid under this act for the first thirty days of such injury, or where injury is due to willful misconduct of the employee injured.

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Navy Appropriation Bill Cuts Programme in Twain.

FOUR SUBMARINES ARE ADDED

Requests from Pacific Coast Heeded by House Committee—Hobson Will Present Minority Report, and May Be Joined by Four Others Who Support His Views on Question.

The House Committee on Naval Affairs yesterday concluded its work on the naval appropriation bill.

The measure, as agreed upon after three hours' discussion yesterday morning, will authorize the construction of two battle ships of the Delaware type, each to cost, when complete, with arms and armament, \$5,000,000; ten destroyers, to cost \$850,000 each, and eight submarine torpedo boats, each to cost \$300,000.

The bill also authorizes the expenditure of \$400,000 for the purchase, within the discretion of the Secretary of the Navy, of subsurface boats, provided they shall meet certain requirements as laid down in the bill.

The measure carries an expenditure for the entire naval establishment of \$101,000,000, approximately. This amount, however, does not include any appropriation for the building programme which is contained in the bill. The increase of the navy provided for in the bill is simply authorized, and no appropriation for it will be made until the naval bill of next year is made up. Included in the bill, however, are appropriations, available on July 1 of this year, for constructions heretofore authorized, including two battle ships of the Delaware class, which are now building.

Hobson Pleads for Ships.

The Secretary of the Navy in his annual report, and in his statements before the committee, urged the authorization of four battle ships of the Delaware type, each to cost \$2,500,000. Representative Hobson, before the committee yesterday, supplemented the Secretary's statement by a long and elaborate argument in favor of carrying out this recommendation in toto. When it came to a vote four members of the committee—Messrs. Lilley, of Connecticut; Thomas, of Ohio; Meyer, of Louisiana, and Talbot, of Maryland—supported Mr. Hobson in favor of four battle ships. Mr. Meyer was not present, but he sent in his vote, to be recorded in favor of the big building programme.

Talbot and Hobson, both of whom supported the recommendation for four battle ships, are Democrats. Lilley and Thomas are Republicans.

Feared Defeat in House.

While the committee cut down the number of battle ships from four to two, there was practically a unanimous sentiment expressed in the committee in favor of four battle ships; but in view of the fear that the House would not stand for so large an authorization, it was agreed to limit the number to two, five of the members of the committee dissenting. Mr. Hobson will present a minority report on the matter, urging authorization and an appropriation, to be immediately available, for four big boats. The four members who supported Mr. Hobson have not indicated whether they will join with Mr. Hobson in his minority report.

Although the authorization of battle ships was limited to one-half the number recommended, the committee at the same time doubled the Secretary's recommendations for submarines. The department had recommended the purchase of four submarines, but the committee found itself deluged with petitions and addresses from the Pacific Coast States asking for the establishment of submarines for the defenses of Seattle, Portland, San Francisco, Honolulu, and other Pacific harbors, and yielding to this sentiment, the committee authorized the construction of eight submarines, to cost \$380,000.

Favors Octopus Type.

The committee also included in its bill a resolution, offered by Representative Loudermeyer, which obliges the Secretary of the Navy to follow the recommendations of the submarine board as made following the tests at Newport last spring. The board then reported the Octopus type as superior to the Lake type, and the language of the new law will require that the boats purchased must come up to the standard laid down by the Newport board tests. The subsurface boats, which are not to be purchased after certain tests, are not to be classified as submarines, but their qualifications are to be determined separately and apart from submarine tests.

Ignores Several Requests.

The bill contains no authorization for an ammunition ship, a repair ship, or the two mine-laying ships, which were recommended by the Secretary of the Navy. The matter of authorizing fleet coilers, as recommended by the department, is to be left for consideration in a separate bill. The bill authorizes an increase in the number of enlisted men in the navy by 6,000, and an appropriation, to be immediately available, for the purpose of carrying out this recommendation.

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MORE FOR EXPOSITION.

Mr. Humphrey Wants Seattle Appropriation Increased.

The House Committee on Industrial Arts and Exposition yesterday heard the delegation from Washington—Messrs. Cushman, Humphrey, and Jones—E. A. MacKenzie and Maj. Richardson, U. S. A., for some years stationed in Alaska. In favor of the appropriation of \$750,000 to be expended at the Seattle exposition, to be held beginning June 1, 1909.

Of this total sum, \$25,000 is devoted to Hawaii and the Philippine Islands, \$50,000 to Alaska, \$400,000 for the construction of buildings,